

**South Downtown Advisory Group
Draft Notes from Meeting #3, July 27, 2005**

OVERALL SUMMARY:

South-of-Dearborn area – Input was favorable to residential/mixed-use development, which could support growth with fewer impacts than other sensitive portions of the neighborhood core. Parks are important. Examine Pearl District in Portland for zoning lessons. City should closely examine the Charles St. Yards for possible relocation of services, sale and future redevelopment.

Chinatown core – Historic preservation is the key role of the Board, but regulations should be adjusted to make them easier to use, more flexible, up-to-date on building material and design options, and make the Board's process easier for applicants. Workforce housing is a priority. No consensus on possible height changes, but the transit hub is seen as a key opportunity.

Japantown (north of Jackson Street) – Vacant areas in this vicinity present a good opportunity for much taller residential-oriented buildings (240 feet was discussed as a possibility). This is seen as consistent with past planning and community expectations. Many advisors' comments favored ground-floor retail required at street-level throughout the currently vacant area. Others were receptive to residential development on limited street frontages.

Little Saigon – Future growth of a residential base in the area is favored, but not at the expense of displacing existing businesses. An evolution toward more mixed-use character is anticipated over the long-term. Height limits up to 120 feet were discussed. A retail center with approximately 400 dwelling units at the current Goodwill site was described by the applicant.

Common themes expressed by advisors and in public comment:

- The fragile nature of many businesses that comprise the neighborhood fabric, and their vulnerability to property value changes and increased rent.
- Consider a bigger-picture approach to planning improvements in this area.
- The preference for the City to use a "community development" approach to planning. This would include creative financial strategies to help the community realize tangible benefits from future development – (transfer of development rights, tax increment financing, tax credit, and strategies to support existing businesses were mentioned).

Industrial Lands Study Overview – Tom Hauger, DPD

- A two-phase project that includes background research in the first phase (2005), and additional analysis and review of City policies in Phase 2 (to be completed in 2006).
- The study was initially required to help City Council respond to Port plans at Terminal 91 in Interbay, but is also expected to help with pending decisions for industrial land in the northern Duwamish and South Downtown as well.
- The study will assess how much industrial land is needed to accommodate the next 20 years of demand, and consider the preferable characteristics of industrial land.
- Outcomes of this work could include specific recommendations about policies or regulations defining and governing industrial land.

Chinatown/I.D. neighborhood: Projects and Opportunities

- Gordon Clowers described the area's division into various functional areas, including the Chinatown core (and its periphery), Little Saigon core, Japantown, south-of-Dearborn area, and the Dearborn, 4th Avenue S., and Boren/Rainier Ave. S. corridors.

- He described the pattern of vacant and underutilized properties within the area, which provide opportunities for better defining the character of Japantown, the periphery of the Chinatown core, Little Saigon and Rainier Avenue corridor.
- Current projects include a few 6-8 story apartment buildings, a retail/mixed-use center with up to 400 apartment units proposed at the Goodwill site, and the future Wing Luke Museum site at the East Kong Yick building (corner of King/8th).

ADVISORS' DISCUSSION

The group discussed existing conditions and future opportunities for each subarea.

South-of-Dearborn area

Prompted by an advisor's question, two current owners of industrial property described their existing buildings as light warehouse space that is generally moving toward obsolescence. Both felt zoning to allow other uses is preferable for design and use flexibility.

Subsequent input was favorable to residential & mixed-use commercial development in this area.

- The area could be an outlet for growth to meet the City's neighborhood growth targets. Denser growth south of Dearborn could add vitality (greater resident and customer base) to the adjacent Chinatown core, but in a less-impactful way than growth in the fragile core itself. Perhaps does not need historic Chinatown design and character requirements.
- Others noted that freeway ramps and high traffic volumes along Dearborn Street may have negative impacts on residential uses. Design could help mitigate noise and other impacts.
- The advisors' comments favored a bigger-picture urban design/planning strategy to ensure a mix of housing types with open space and good pedestrian connections. One advisor emphasized looking at a variety of tools (financing, housing and infrastructure planning strategies) to help the community and achieve Comprehensive Plan goals.
- The area's big advantage is its large size, and its potential to be developed as one piece.
- Growth south of Dearborn could foster linkages between this area and the Chinatown core, Goodwill property, and neighborhoods east of Rainier Avenue.
- City staff should examine the zoning approach that Portland used for the Pearl District. Also, examine Portland's strategy for City investments in parks, infrastructure and pedestrian facilities (such amenities could be magnets to attract outside visitors).
- Parks and open space are important, especially given the existing shortage in the area.
- City staff should also examine Airport Way's alignment, and the potential for planning that differently, to create more space in a typical grid pattern.

Charles St. Yards -- Gary Johnson described the status of the City's Charles Street Yards, which provide for many transportation, maintenance and vehicle-related functions. The City's Fleets and Facilities Department hasn't foreclosed the possibility of change, but the facility serves a lot of purposes well, and relocation of those could prove difficult and costly.

- The advisors believe this property is an important one when considering the potential redevelopment of this area, given its size and adjacency to the Chinatown core. Therefore, the City should put a high priority on exploring possible changes in its use.

- Also, City ownership would seem to be a positive for potentially designating it as a park. The potential for environmental remediation issues was noted as a possible negative.

Other comments included:

- Rick Hooper (Office of Housing) summarized the status of the INS Building. The federal government is now pursuing a standard surplus process. The City's Office of Intergovernmental Relations is seeking more information about timing of the process.
- Traffic congestion was a concern to one advisor, with respect to larger uses.
- Examine opportunities for design changes along Dearborn Street for bike/ped. uses.
- Additional office development on the east side of 4th Avenue S. was briefly mentioned by Gary Johnson as a possible zoning outcome. It was noted this could match with potential plans west of 4th Avenue S. associated with development over the railroad tracks.

Chinatown Core

- The advisors' comments agreed the Board process is important, especially its key historic preservation role. The historic quality of the neighborhood is its marketing tool. Removal of old buildings, therefore, would be a loss of the neighborhood's fabric.
- However, the Special Review District regulations have created some impediments in their specificity about the mix or size of uses, upper floor occupancy and similar details.
- Other regulatory criticism: it is ambiguous in places, confusing, not user-friendly, and possibly conflicting in places with City goals and the underlying zoning.
- "Tweaks are needed" to help address some antiquated language.
- Expressed goals by some advisors:
 - To make the Special Review Board process easier to conduct and more predictable for applicants, that will make it easier to gain development approvals.
 - To increase code flexibility to deal with practical cost issues of rehab projects (for example, resolving ways to use newer window materials appropriately rather than costlier wooden window frames, which may have thwarted two projects).
- Key concern: adopting tools and strategies to help retention of existing businesses if upsurges in property values occurred with future development. The existing businesses are part of the neighborhood fabric that shouldn't be lost.
- Similarly, the City should identify creative ways to help finance existing building renovations and make them pencil out. This could help owners move toward change. The City should look at San Diego and Vancouver's efforts with tax increment financing (TIF) concepts that feed tax dollars into improvements leading to higher property values and tax revenues. There is a lot of support in the community for pursuing those strategies—the community has presented those ideas to the City twice in the last year.

What kinds of housing are needed? – A few advisors cited the need to promote "workforce" housing, in between market rate and lower-income targeted housing. It was suggested that more market-rate housing is being built today than before – around one-quarter of housing built in the neighborhood over the last several years. More home ownership opportunities are also favored.

Is additional zoned height in the Chinatown core a good idea? – The discussion did not provide a clear shared opinion on this question.

Pro -There is a great opportunity to capitalize with denser (taller) development in the transit hub vicinity, as is done in many cities around the world. This is perhaps applicable to the area near 5th/Jackson Street and Japantown area to the north.

Con -One advisor asked: would the National Parks' historic district designation be jeopardized if district integrity is compromised by incompatible development? The DON staff person confirmed that is a potential risk. Another asked: would a mix of new buildings with old/vacant buildings be the best mix?

Other – A recommendation to look at the Portland Pearl District regulations that analyzed heights for existing buildings and new building sites, on a block-by-block basis.

Periphery of Chinatown Core

- One neighborhood advisor noted a trend of infill residential development in that area, and believes it will continue.
- Longtime availability of several vacant or underused properties is noted, but it is difficult to pin down specific impediments to development (zoning problems, lack of residential-serving businesses, and environmental contamination issues were suggested).
- Regulatory issues cited above for the Chinatown core also are pertinent.
- Maximum height limits for this area were not discussed.

Japantown – including 4th, 5th, Main, north of Jackson Street

Opinions on higher height possibilities

Gary Johnson introduced this area with a reference to the "major property owners vision" which imagined higher heights for residential-oriented buildings, which has several vacant parcels.

- A developer advisor added that approximately 240-foot buildings were foreseen in that vision, with a Harbor Steps style residential development concept.
- A neighborhood advisor confirmed that the I.D. neighborhood plan and regulations have already anticipated higher buildings in that area, so that vision is not out of line with prior planning. That would be an excellent area for new homeownership opportunities.
- Two advisors noted that the slopes to the east mean that higher-height buildings could fit in with the surroundings better.

Ground-floor retail desirability?

- Four advisors (and one local resident not on the advisory group) agreed that ground-floor retail use is an important feature to ensure in the area's zoning, because it would stimulate more pedestrian traffic, complement the existing nearby business district, and provide greater continuity ("connective tissue") and pleasantness in the streetscape.
- An alternative opinion suggested this vicinity could use a Vancouver-style townhouse arrangement at the building base, to foster a more residential environment. Supporting thought: a tightly-defined retail core should be maintained in the Chinatown core without attempting to diffuse retail uses everywhere, which might weaken overall retail viability.

Little Saigon

The Little Saigon business association representative noted: everyone wants more customer base and new residents. However, it should occur in a way that doesn't displace existing businesses.

- The business representative understands that new residential development and business uses are not mutually exclusive. However, the existing businesses run on low profit margins and are vulnerable to change.
- They would like a phased approach that avoids mass displacement of businesses.
- They would like to see a mechanism to plow back resources into the area, to allow the existing businesses to survive, and not be pushed out by higher rents and property values.

Is additional height a good idea in this area?

- There is westward view potential for properties west of 12th Avenue S., and southward view potential for some properties east of 12th Avenue S.
- Up to 120-foot height limits was seen as acceptable by one advisor
- One advisor noted that given leasing problems in a recent office development, perhaps additional height isn't the full answer. But increased regulatory flexibility could help.

Should expectations change about the ability to develop with parking in front of buildings?

- It is important to ensure parking to accommodate the many retail visitors that are attracted from locations around the region;
- Different street-oriented building types under other zoning categories would not necessarily conflict with the continued provision of parking;
- Maintain a vital center for Vietnamese business, culture and daily activity;
- Improve pedestrian facilities to support a better retail and residential setting;
- In the long-term, the area will likely change away from automobile-oriented buildings toward more livable forms of development. Also, a remodeled Yesler Terrace would contribute new residents and customer base;
- The area's long blocks create an obstacle to connectivity within the urban environment, perhaps indicating a need for a bigger-picture urban design strategy.

Overview of retail/mixed-use center proposal on Goodwill property

Daryl Vange, the applicant for this development outlined his proposal for a retail center with:

- a mix of smaller neighborhood retail uses and medium-to-large retail uses;
- a re-created street grid, and 2,000 parking spaces hidden in garages;
- 400 units of housing on top of the retail structures, oriented toward Weller Street;
- retail storefronts on virtually every street frontage.
- Likely an 85-foot requested height limit.

Advisors favored activation of the Weller Street frontage. Smaller business frontage and some product-delivery areas are anticipated on Weller Street. Advisors also asked about:

- Providing good pathways to connect customers with Little Saigon.
- The potential of increased property values with negative impacts on existing businesses.
- Potential for community to use on-site parking spaces.
- Potential to impact traffic on area streets including S. Dearborn St. and Rainier Ave. S.

Does this project help or hurt Little Saigon? An architect advisor noted:

- 400 dwelling units means 600-800 new residents would be a new customer base.
- The City should examine the area from a bigger-picture urban design strategy – look at improvements such as breaking up the long blocks in the vicinity.

- Also, the City could develop a strategy on how to provide interim or incremental help to the existing business community to help it transition over time to its future condition.

PUBLIC COMMENT

John Chaney, Historic Seattle

- Public ownership is a very important factor. The Charles Street facility is a large site that should be closely considered for change, because perhaps its best use is not for storing gravel right now. The City has the powers to obtain other land that would be necessary to replace those functions.
- Change assumptions about how larger streets, including 4th Ave. S., are to be used. They should not be "freeways." Consider the pedestrian and bicycle needs.
- Regarding the Pearl District in Portland, they allow a mix of existing building scale and much taller new buildings, indicating this can be a good thing. Portland carefully analyzed what was appropriate on each site and block. Also, Portland has small blocks—meaning that Seattle should look comprehensively at re-introducing the street grid in this area (Little Saigon). He knows it is a difficult challenge.
- John recommended using equity financing tools, such as the New Markets tax credit and others that would fit in this area.
- John noted that Historic Seattle owns the landmark Victorian Row Apartments. He encourages new residential and mixed use development in that King Street vicinity.

Joe Nabbefeld, G.B. Smith Real Estate

The City can set zoning in ways that will increase property value of the Charles Street facility. Thus, additional public funds generated by its sale would be available for facility relocation.

Ken Katahira, InterIm Community Development Association

- The City should plan using a "community development approach" that would consider the whole area, its bigger picture goals, and methods that would recapture some of the increased value of development and channel it toward public benefits.
- The City should explore financial mechanisms including transfer of development rights (TDR), tax increment financing and others to support achievement of community goals. Creative strategies should be employed. Consider how the City invests its dollars in improvements, and aim at benefiting the community.
- How you plan will determine the fate of many existing fragile businesses. They are sensitive to property value and rental increases, which can lead to business displacement.
- Right now, there aren't sufficient financial resources to develop enough new housing to meet the expected growth targets over 20 years.
- Don't plan purely from a land use/zoning perspective, relying on the real estate development market, because it will not create the sort of balanced neighborhood anticipated in community plans.

Two advisors agreed with Ken. They will write a letter to capture the details of strategies.

Adjourn